

CONDENSED LICENSING RULES

Charitable / Nonprofit Gambling Manager

WAC 230-02-418 CHARITABLE OR NONPROFIT GAMBLING MANAGER DEFINED.

A "charitable or nonprofit gambling manager" is any member or employee of a charitable or nonprofit organization who has the ability to, directly or indirectly, exercise a material degree of control over the operation of any gambling activity or the disbursement of funds generated from gambling activities. This definition includes all persons compensated to advise the board and/or officers regarding specific aspects of operating any gambling activity, whether as a consultant or any other short-term contract basis: *Provided*, That charitable or nonprofit organizations currently licensed to operate gambling activities, or their members or employees, may provide nonspecific advice to any other charitable/nonprofit organization, without being deemed a gambling manager for the receiving organization, if they are not directly or indirectly compensated for such advice. This section is not intended to restrict actions regarding the operation of any gambling activity that are initiated by the board and/or officers, if such actions are implemented through a gambling manager appointed by the board and/or officers.

For purposes of this title, the following individuals shall be deemed to be charitable or nonprofit gambling managers:

- (1) Any member or employee who has the primary responsibility to supervise the operation of any gambling activity;
- (2) Any employee of the organization who has been assigned the responsibility of supervising another gambling manager by the governing board or officers; or
- (3) The employee who the officers or governing board of directors has delegated the highest level of authority over the day-to-day affairs of the organization and who is responsible for disbursement of funds generated from gambling activities and/or safeguarding assets purchased with funds generated from gambling activities.

WAC 230-04-020 CERTIFICATION PROCEDURE – GENERAL REQUIREMENTS – MANDATORY TRAINING REQUIRED.

Applicants for license from the commission shall submit all applications, including the proper fee, as established by WAC 230-04-202, 230-04-203 or 230-04-204 to the administrative office of the commission in Lacey. The application process is as follows:

- (1) The application shall be made using a form provided by the commission. The application form must be completed in every respect, containing all the information and attachments requested;
- (2) The application shall be signed under oath by an individual attesting that the information set forth in the application and any accompanying materials is true, accurate and complete and that they assume full responsibility for the fair and lawful operation of all licensed activities that the applicant conducts. The following person(s) shall sign the application:
 - (a) The highest ranking officer/official of a charitable, nonprofit or profit seeking corporation;
 - (b) The principal owner of a sole proprietorship;

(c) All partners of a partnership or general partner of a limited partnership; and

(d) The mayor or the mayor's designated representative if the application is being submitted by or on behalf of an incorporated city or town.

(e) The director may also require the following persons to sign the application:

- (i) The chairman of the board of directors or trustees;
- (ii) The person in charge of financial records; and/or
- (iii) Persons with a substantial interest in the applicant business or charitable/nonprofit organization.

(3) The commission will consider only those applications that have been fully completed. Failure to respond to written notification of an incomplete application, within twenty days of such notice, shall be cause for administrative closure of the application. The following reasons will cause an application to be incomplete:

- (a) Failure to provide all information requested on the application form and/or attachments;
- (b) Failure to provide supplemental information requested during the licensing investigation;
- (c) Failure to attend mandatory precertification training;
- (d) Failure to provide fingerprints or samples of handwriting; and
- (e) Failure to submit proper fees.

(4) The commission may disclose to the public or discuss at a public meeting all information set forth in the application and all supplemental information submitted subject to the exemptions in chapter 42.17 RCW and other applicable laws including, but not limited to, chapter 10.97 RCW: *Provided*, That consistent with chapter 10.97 RCW, the commission may disclose conviction data of an applicant or licensee.

(5) The commission shall not issue a license until it is satisfied that the applicant is completely qualified to operate the activity for which a license is requested. Prior to issuing a license, the commission will:

(a) Conduct a review and investigation of all information available, whether submitted as a part of the application or otherwise obtained, to the degree deemed necessary to attest to the qualification of the applicant and the gambling premises; and

(b) Require all persons who sign the application, as set out in subsection (2) of this section, plus the manager or other designated person(s) responsible for conducting the gambling activity or completing records, to complete a training course as established and provided by the commission: *Provided*, That mandatory training shall not be required for manufacturers; manufacturers representatives; or applicants or licensees with special circumstances as approved by the director. Mandatory training shall be completed within the following time lines:

(i) New applicants - Within sixty days of application and prior to being granted a license: *Provided*, That cardroom employees and bingo managers must attend training no later than thirty days after the first day of work;

(ii) Annual recertification - no later than sixty days after the effective date of the license: *Provided*, That only those person(s), as set out in subsection (2) of this section, which are newly designated to sign the application since

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the last license application shall be required to attend training if they have not attended within the previous three years; and

(iii) Changes to managers or other designated persons responsible for conducting gambling activities or completing records - no later than sixty days after the first day of work.

WAC 230-04-022 CERTIFICATION PROCEDURE – INFORMATION REQUIRED FROM ALL APPLICANTS.

In addition to other information required by the commission, each applicant shall provide the following information on or attached to the application:

Articles of incorporation and bylaws.

(1) Copy of corporate applicants' articles of incorporation and bylaws; or, if not a corporation, a copy of any bylaws and other documents which set out the organizational structure and purposes of the organization;

IRS tax exemption letter.

(2) A copy of a nonprofit or charitable applicant's Internal Revenue Service tax exemption letter if one has been obtained;

Lease or rental agreements.

(3) Details and copies of all lease or rental arrangements, whether oral or written, between the applicant and the owner of premises upon which the gambling activity will be conducted, if such premises are leased or rented;

Franchise agreements.

(4) Details and copies of any and all franchise agreements or other agreements, whether written or oral, if any, between the applicant and distributors or manufacturers of equipment or between the applicant and any other person where those agreements relate to gambling activities or gambling equipment;

Management agreements.

(5) Details and copies of all proposed management agreements or contracts between the applicant and any gambling service supplier involved in providing services defined in WAC 230-02-205. All such agreements or contracts shall be reviewed by commission staff prior to the effective dates of the agreements to assure compliance with this title. No financing or management services shall be provided prior to commission approval of the contracts;

Paid employees or agents.

(6) The name, address, date of birth, and Social Security number of each paid employee or agent who will work in the activity for which the license is sought and a schedule of the proposed number of employees, job descriptions, and a proposed pay schedule;

Substantial interest holders.

(7) Sufficient personal information to ensure each substantial interest holder as defined by WAC 230-02-300

is qualified to hold a license or participate in a licensed or authorized gambling activity;

Report changes to application.

(8) If any information required on the application, changes or becomes inaccurate in any way, the commission shall be notified prior to issuance of a license. Failure to notify the commission of any changes affecting an application may constitute grounds for suspension or revocation of all licenses.

Exceptions for cities and towns.

(9) Subsections (1), (2), and (7) of this section shall not apply to applications by or on behalf of an incorporated city or town in the state of Washington.

WAC 230-04-145 LICENSING OF CHARITABLE OR NONPROFIT GAMBLING MANAGERS – APPLICATION PROCEDURES.

Each charitable or nonprofit organization licensed to conduct gambling activities shall designate gambling managers who will be responsible to the officers or board of directors for the proper conduct of the activity and safeguarding of all funds generated by such. An individual may be designated as the gambling manager for more than a single activity if so noted on the application for each activity. No person shall perform the duties of a gambling manager, as set out in WAC 230-12-079, unless they have been approved by the commission. Applicants for a license to perform duties of a gambling manager shall comply with the following procedures:

Who must apply for a charitable or nonprofit gambling manager license?

(1) Gambling managers responsible for the following functions of a charitable or nonprofit organization shall be licensed by the commission:

(a) Primary manager of Class D and above bingo games;

(b) Primary manager of Class C and above punch boards and pull-tabs;

(c) Any employee responsible for supervision of gambling managers required to be licensed by (a) or (b) of this subsection;

(d) The employee assigned the highest level of authority by the officers or governing board of directors to manage the day-to-day affairs of the organization and who is responsible for safeguarding assets purchased with gambling funds or managing the disbursement of gambling funds when:

(i) The organization is licensed to receive more than three hundred thousand dollars in gross gambling receipts; or

(ii) The organization has an established trust and/or endowment fund and gambling receipts in excess of one hundred thousand dollars have been contributed to such funds; and

(e) An employee responsible for supervision of the operation of progressive jackpot pull-tab games, as authorized in WAC 230-30-025.

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What must I do if I wish to begin work as a gambling manager before I have received my permanent license?

(2) Prior to performing duties as a licensed gambling manager, each applicant shall:

(a) Submit a completed application to the commission on or before the first day the applicant begins working: *Provided*, That an applicant shall not perform any of the duties of a gambling manager prior to issuance of a license by the commission if one or more of the following conditions exist:

(i) The applicant has been previously denied a license or had a license suspended or revoked by the commission;

(ii) The applicant has been served administrative or criminal charges and such charges are pending at the time of the application;

(iii) The applicant has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to any offense set forth in RCW 9.46.158; or

(iv) The applicant has violated, failed, or refused to comply with provisions, requirements, conditions, limitations, or duties imposed by chapter 9.46 RCW or any rules of the commission.

(b) Complete a training course provided by the commission within thirty days after the first day worked as required by WAC 230-04-020. Individuals that have been performing duties or assigned responsibilities that require a gambling manager license under this section, for at least ninety days prior to the effective date of this section, may be exempted from such training by the director. Types of training required:

(i) Individuals applying for a license under the provisions of subsection (1)(a), (b), or (c) of this section shall attend training for each gambling activity for which they have been assigned primary or secondary oversight responsibility; and

(ii) Individuals applying for a license under the requirements of subsection (1)(d) of this section shall attend training related to safeguarding assets and proper uses of gambling funds.

(3) If an applicant elects to perform the duties of a charitable or nonprofit gambling manager prior to receiving a permanent license as authorized under the provisions of subsection (2) above the commission shall retain the entire application fee regardless of the disposition of the application.

What must the application contain?

(4) Each application shall be submitted as specified in WAC 230-04-020, and signed by both the applicant and the highest ranking executive officer of the organization;

For how long will a gambling manager license be valid?

(5) A gambling manager license shall be valid for a period not to exceed one year beginning on the date of issuance or the date the application was submitted if the applicant began working prior to licensure, as authorized by subsection (2)(a) of this section, whichever occurs first: *Provided*, That should a licensed gambling manager's employment with the organization listed on the license

application be terminated, for any reason, the license shall become immediately void. This individual must reapply for a license prior to performing gambling manager duties for any other charitable or nonprofit organization. Prior to granting a license to a previously licensed gambling manager, the commission shall conduct an investigation to determine the continued qualification of the individual. Such investigation may include inquiries to the previous employer;

What are the fees governing this type of license?

(6) The fee for this license shall be as required by WAC 230-04-204: *Provided*, That if an applicant is changing employment from one licensee to another prior to the expiration date as specified in subsection (4) of this section, the fee shall be as required for license renewal;

Can an organization have more than one gambling manager?

(7) An organization may appoint more than one gambling manager who is responsible for supervising bingo games or punch board and pull-tab operations. The manager assigned the highest level of authority for each specific activity shall be designated on the application as the "primary gambling manager" and all others as "assistant gambling managers."

WAC 230-04-147 NOTIFICATION TO THE COMMISSION UPON BEGINNING, TERMINATING, OR CHANGING RESPONSIBILITIES OF CHARITABLE OR NONPROFIT GAMBLING MANAGERS. A charitable or nonprofit organization shall notify the commission in writing when a gambling manager has been assigned primary responsibility for the operation of any gambling activity or disbursement of funds, or has terminated employment and/or responsibilities for any reason. Individuals required to be licensed shall immediately submit an application for a license, as required by WAC 230-04-020 and 230-04-145. The following procedures shall be followed for notification of changes in responsibilities of gambling managers that do not require an application:

(1) The notification shall be in writing and include:

(a) The full name and date of birth of the gambling manager;

(b) The date the gambling manager was assigned new responsibilities or the date employment and/or responsibilities terminated; and

(c) A full description of the change in duties and/or responsibilities;

(2) The notification shall be signed by the highest ranking elected officer or the individual assigned the responsibility of supervising the gambling manager;

(3) The notification shall be made immediately and must reach the commission's headquarters office in Lacey not later than 5:00 p.m. on the tenth day following the person's first day of work or last day of work, as applicable. If the tenth day falls on a Saturday, Sunday, or state holiday, it shall be due upon the next following business day.

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WAC 230-04-220 PRORATING AND REFUNDING OF FEES. (1) Unless otherwise provided by law, there will be no prorating or refunding of any license fee subsequent to issuance of a license or permit for the following actions:

- (a) Discontinuation of business;
- (b) Voluntary surrender of a license or permit; and
- (c) When a license or permit has been suspended, revoked, or otherwise canceled.

(2) Upon denial, voluntary withdrawal or administrative closure of an application for license, adoption or change of trade name, or change of location, the commission shall retain that portion of the fee tendered therewith as is necessary to offset its costs of processing and investigating the application: Provided, That the commission shall retain the entire fee when an individual license applicant performs any or all portions of the duties for which a permanent license is sought.

WAC 230-12-079 DUTIES AND RESPONSIBILITIES OF A CHARITABLE OR NONPROFIT GAMBLING MANAGER. Charitable or nonprofit gambling managers shall be knowledgeable of all provisions of Title 230 WAC and chapter 9.46 RCW that relate to the operation of gambling activities they manage and restrictions regarding the use of funds generated from gambling activities for which they have been assigned responsibility. Such managers shall be responsible for supervising the operation of the gambling activity, including all ancillary activities conducted in conjunction with gambling activities, and for safeguarding funds or other assets generated from gambling activities which are under their control. This responsibility shall be fulfilled by ensuring that:

- (1) The public is protected from fraud;
- (2) The licensed premises is maintained in a safe condition and persons participating in the activity are reasonably protected from physical harm;
- (3) Activities are conducted in a manner that ensures fair and equal participation by players and all provisions of Title 230 WAC and chapter 9.46 RCW are followed;
- (4) The organization is reasonably protected from illegal acts committed by players or workers;
- (5) All records are completed and correct;
- (6) All moneys derived from the gambling and ancillary activities are safeguarded until transferred to a guardian designated by the board and/or officers or directly deposited in the organization's bank account;
- (7) All assets of the organization, for which the gambling manager is responsible, are protected from misuse or theft; and
- (8) All funds generated from gambling activities, for which the gambling manager is responsible, are disbursed or invested in accordance with the directions of the officers or governing board of the organization and used solely to further the purposes of the organization.

WAC 230-12-305 LICENSEE REQUIRED TO SUBMIT UPDATED DOCUMENTS OR INFORMATION. In addition to any other requirements set forth in these rules, persons licensed by the commission shall submit any new or updated documents or information including, but not limited to, the following:

(1) Articles of incorporation or by laws, or any other documents which set out the organizational structure and purposes;

(2) Internal Revenue Service tax exemption status (charitable/nonprofit organizations only);

(3) All contracts and agreements, whether oral or written which relate to gambling activities or alter the organizational structure of the licensee or its business activities in Washington state; and

(4) All cash or asset contributions, draws from lines of credit, and loans, from other than recognized financial institutions, which individually or collectively exceed a total of ten thousand dollars during any calendar year: Provided, That cash or asset contributions do not include donations to licensed charitable or nonprofit organizations.

Submission timeline.

(5) The new or updated documents and/or information shall be submitted to the commission no later than sixty days following the transaction(s) date.

WAC 230-12-310 LICENSEES TO REPORT TO THE COMMISSION CIVIL, CRIMINAL AND ADMINISTRATIVE ACTIONS FILED AGAINST THEM. (1) Each licensee shall report to the commission within fourteen days, all criminal actions filed against the licensee or the licensee's president, chief executive officer, chairman of the board, treasurer (chief financial officer), partner, person holding a substantial interest or manager of the licensed gambling activity. The final disposition of the case must be received by the commission within thirty days after the final disposition.

(2) Each licensee shall report to the commission within thirty days, all civil and administrative actions filed by or against persons listed in subsection (1) of this section that involve ownership or control of the business, dissolutions, actions significantly affecting business interests, such as patent or copyright infringement and all administrative actions from other gambling regulatory agencies, including those from other countries and Indian tribes. The final disposition of the case must be received by the commission within thirty days of the final disposition.

(3) The report shall consist of a complete copy of the original documents filed. The licensee shall notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.

(4) The director may exempt reporting specific types of civil actions upon written request and for good cause shown.

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WAC 230-20-065 LICENSED BINGO MANAGER REQUIRED ON PREMISES. All licensed bingo games must be operated under the supervision of a licensed bingo manager. The bingo manager must be on the premises at which the bingo game is licensed for operation, during all hours bingo games are conducted; however, a bingo manager is not required for bingo games operated:

- (1) At an authorized agricultural fair;
- (2) At a special event authorized by the commission;
- (3) Under RCW 9.46.0321; or
- (4) Under a Class A, B, or C bingo license.

WAC 230-20-070 REGULATION OF MANAGERS, OPERATORS, AND OTHER EMPLOYEES – CHARITABLE OR NONPROFIT ORGANIZATIONS. Charitable or nonprofit organizations shall closely supervise all persons involved in the conduct of all gambling activities operated to ensure all rules of the commission are followed. The following restrictions apply to managers, operators, and other employees:

Amusement games and raffles.

(1) **Amusement games and raffles.** No person other than a bona fide member of a qualified charitable or nonprofit organization shall take any part in the management or operation of, including the furnishing of equipment for amusement games, or work as an employee upon, amusement games or raffles conducted by that organization under a license from the commission: Provided, That for purposes of this section, performing functions that are not of a supervisory or management nature shall not be considered taking part in the operation of amusement games or raffles if:

- (a) Such functions are performed by:
 - (i) Employees of the organization, who are hired on a regular or part time basis, and who are employed primarily for purposes other than the conduct of such activities; or
 - (ii) Individuals who are volunteers, when they are under the supervision of a member and are not directly or indirectly compensated for such functions;
- (b) The organization keeps records that will allow the commission to determine the amount of gross gambling receipts received from such activities and to identify individuals responsible for receiving and controlling such. Records shall include at least the following:
 - (i) The full names, addresses, and phone numbers of employees and members involved in the activity; and
 - (ii) The number of tickets issued, sold, or returned by each employee or member involved in raffle ticket sales.
- (c) Any additional cost to administer raffles authorized under authority of this section is paid by the licensee.

Bingo.

(2) No person other than a bona fide member or an employee of a charitable or nonprofit organization shall take any part in the management or operation of bingo games conducted under a license issued by the commission, and no licensee shall allow any person not one of its members or employees to do so.

(a) No person other than a bona fide member of a charitable or nonprofit organization operating without a license under RCW 9.46.0321 shall take any part in the management or operation of bingo conducted by that organization and no such organization shall allow any person not one of its members to do so.

(b) No person who takes any part in the management or operation of a bingo game conducted by one licensee shall take any part in the management or operation of any bingo game conducted by any other organization, or any other branch of the same organization except under the following conditions:

(i) A person participating in the conduct of bingo games by one Class A, B, or C licensee may also participate in the conduct of bingo games by other Class A, B, or C licensees on a voluntary basis only when such person receives no remuneration for services to other licensees and when the requirements of (c) of this subsection are satisfied;

(ii) A person participating in the operation of bingo games conducted by one licensee under any class of license may also participate in the operation of bingo games conducted by other licensees under any class of bingo license, but only when that person has no managerial or supervisory responsibilities in connection with the operation of bingo activities by any licensee and when the requirements of (c) of this subsection are satisfied. An assistant gambling manager, as defined by WAC 230-04-145(6), shall not be deemed a person having managerial or supervisory responsibilities for the purpose of this section and may participate as an hourly employee in the bingo operations of other bingo licensees; or

(iii) A person managing or taking part in the operation of a shared bingo operation as authorized by chapter 230-005 WAC.

(c) No licensee shall allow any person to take any part in the management, supervision or operation of a bingo game except in conformance with this rule.

Agricultural fairs.

(3) Certain premises excepted. The limitations set forth above in subsections (1) and (2) of this section shall not apply to qualified agricultural fairs conducting amusement games or bingo.